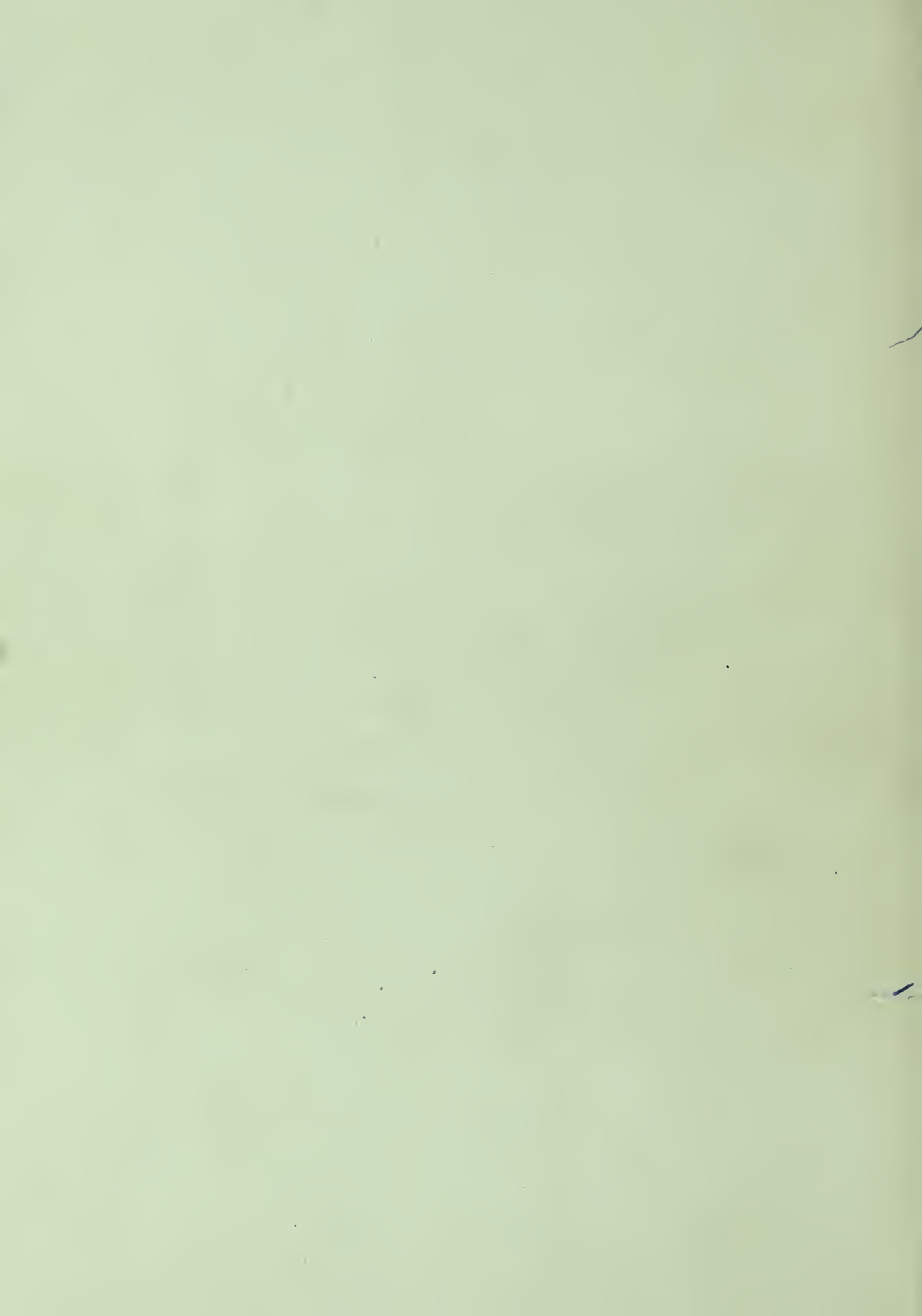


Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.



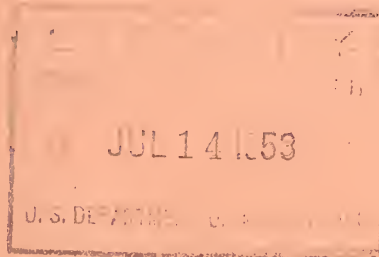
Reserve
941
6F22

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

in cooperation with the

KENTUCKY AGRICULTURAL EXPERIMENT STATION
Department of Agricultural Economics

FARM COSTS AND RETURNS, 1952, WITH COMPARISONS,
COMMERCIAL FAMILY-OPERATED TOBACCO-LIVESTOCK FARMS,
BLUEGRASS AREA OF KENTUCKY



Washington, D. C.
June 1953

X FARM COSTS AND RETURNS, 1952, WITH COMPARISONS,
COMMERCIAL FAMILY-OPERATED TOBACCO-LIVESTOCK FARMS,
BLUEGRASS AREA OF KENTUCKY 1 X

✓
By Erling Hole, Bureau of Agricultural Economics, and
John H. Bondurant, Department of Agricultural Economics,
Kentucky Agricultural Experiment Station

Net cash farm income on commercial family-operated tobacco-livestock farms in the Bluegrass area of Kentucky declined from 1951 to 1952. Cash receipts went down and cash expenditures continued to increase, primarily because of higher prices paid for production items (fig. 1).

Net farm income (net cash income, plus value of perquisites and changes in inventories) in 1952 averaged approximately \$2,670 for small commercial family-operated tobacco-livestock farms, \$3,765 for medium-sized farms, and \$5,020 for large farms. It averaged about \$3,975 for the average of all commercial family-operated tobacco-livestock farms in the Bluegrass area. These returns were about the same as in 1951, but nearly 20 percent greater than in 1947-49 and more than three times the average for 1937-41 (tables 1, 3).

Burley tobacco set a new record in 1952, in both prices received and quantities sold. Prices averaged about 2 cents a pound higher than in 1951. Acreage harvested and yield per acre were but little greater (table 2). As a result, receipts from the sale of tobacco averaged about \$4,080 per farm in 1952 as compared with \$3,820 in 1951, or \$260 higher. Although yields of small grains were higher, yields of corn and hay were practically the same as in 1951, but lower than for any of the several preceding years. Prices received for livestock and livestock products were generally lower in 1952 than in 1951, except for dairy products.

Wage rates and expenditures for labor, including payments to croppers, were about the same in 1952 as in 1951 but prices paid for other items used in production averaged about 3 percent higher. As a result, total cash production expenditures for production were a little more than 5 percent higher in 1952 than in 1951.

Although farm production was higher in 1952 than in 1951, cost per unit of production was somewhat higher in 1952. But input per unit of production (cost per unit of production excluding change in price) was slightly lower in 1952 than in 1951 (table 3).

Returns per man-hour for labor and management performed by the farm operator and members of his family were \$0.80 for small farms, \$0.92 for medium-sized farms, \$1.00 for large farms, and \$0.93 for average commercial family-operated farms. These returns averaged slightly lower than those in 1951. They were moderately higher than in 1947-49 and more than 3.5 times the returns from 1937 to 1941.

1 Information for earlier years on these farms is available in Kentucky Agricultural Experiment Station Bulletin 544, Farming in the Bluegrass Area of Kentucky, December 1949, and U.S. Bur. Agr. Econ. F.M. 94, Farm Costs and Returns, 1951, with Comparisons, Commercial Family-Operated Tobacco-Livestock Farms, Bluegrass Area of Kentucky, May 1952.

CASH RECEIPTS, CASH EXPENDITURES AND NET CASH FARM INCOME

Family-Operated Tobacco-Livestock Farms, Kentucky Bluegrass Area

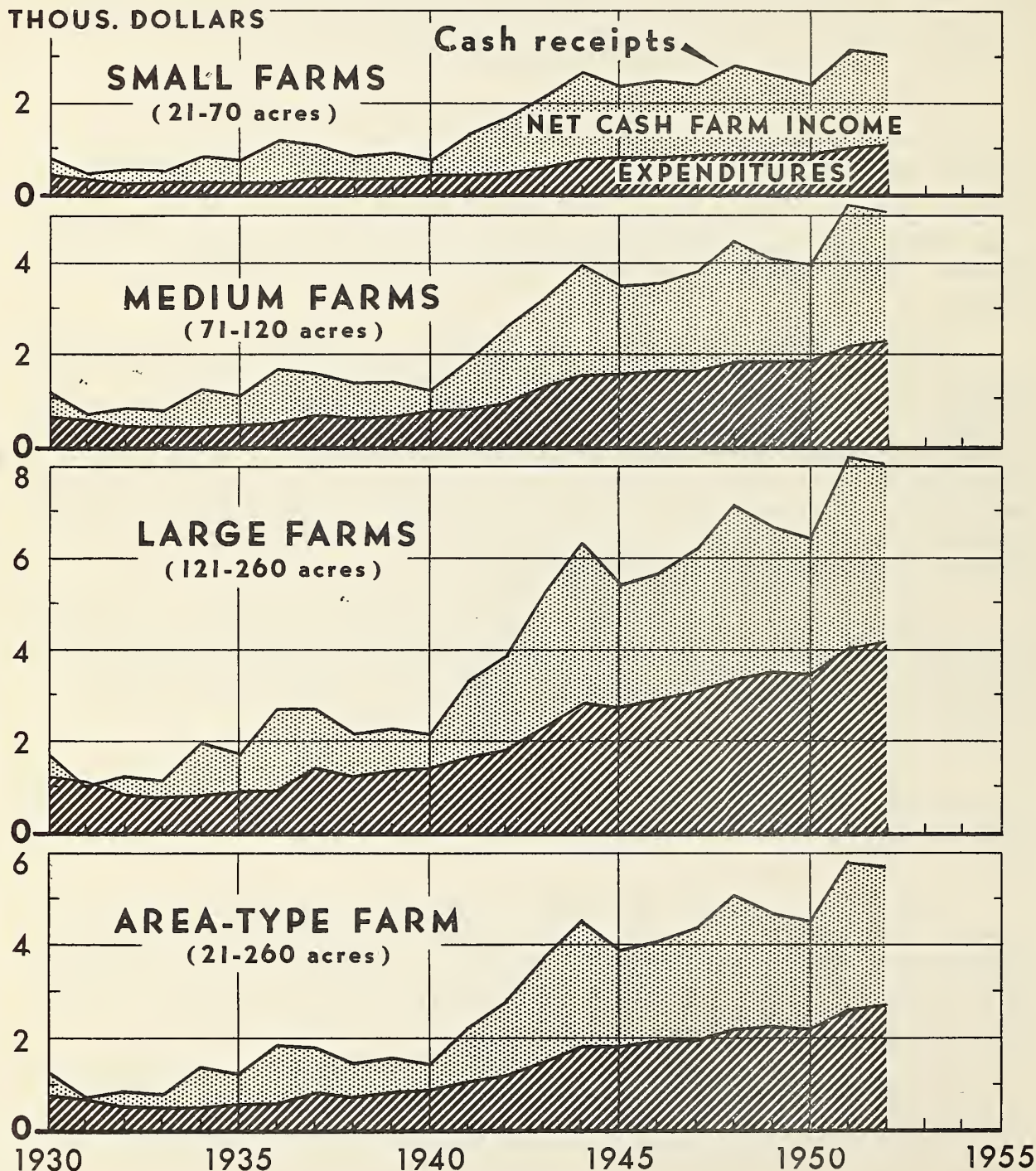


Table 2.- Land use, livestock numbers, and distribution of income and expense, average for family-operated tobacco-livestock farms, Bluegrass Area, Kentucky, 1947-49 average, 1937-41 average and 1951-52

Item	Small 21-70 acres			Medium 71-120 acres			Large 121-250 acres			Area-type 21-250 acres			
	Unit	1947-49	1937-41	1951	1947-49	1937-41	1951	1947-49	1937-41	1951	1947-49	1937-41	1951
Total land in farm	Acre	50	50	50	50	50	50	173	173	173	113	110	113
Proportion of land in:													
Cropland harvested	Pct.	33	32	33	27	25	27	28	25	25	28	26	28
Row crops	do.	13	16	13	11	12	11	11	10	9	11	12	10
Small grains harvested	do.	3	5	2	2	2	2	2	3	3	3	5	3
Hay	do.	17	11	17	14	10	14	15	12	9	13	9	13
Idle fallow and fallure	do.	2	4	2	2	3	2	2	3	2	2	3	2
Flonable pasture	do.	47	49	48	46	47	49	46	48	48	47	49	46
Other land	do.	18	16	18	18	24	23	24	24	23	25	22	24
Crops harvested:													
Tobacco	Acre	3.1	3.3	3.2	4.8	4.7	5.0	5.0	7.4	7.4	7.6	5.3	5.5
Corn	do.	3.5	4.5	3.4	6.0	6.9	5.7	5.9	9.6	11.1	8.8	6.7	6.3
Wheat	do.	1.2	2.2	.9	1.5	2.4	1.2	1.4	4.8	7.5	3.5	2.7	2.0
Other small grains	do.	.2	.3	.2	.6	.8	.7	.9	1.4	1.5	1.6	.8	.9
Alfalfa hay	do.	2.3	1.1	2.2	3.0	2.0	3.3	3.3	3.7	3.1	4.3	2.1	3.4
Other hay	do.	6.1	4.6	6.0	10.3	7.4	10.0	10.5	17.4	12.1	17.3	11.9	11.8
Total	do.	16.4	16.0	15.9	26.2	24.2	25.9	27.0	44.3	42.7	43.1	30.5	28.4
Crop yield (per harvested acre):													
Tobacco	Lb.	1,226	964	1,371	1,248	982	1,396	1,408	1,300	1,023	1,454	1,273	995
Corn	Bu.	43.3	34.6	39.5	43.8	34.6	41.0	40.0	46.0	36.4	43.0	42.0	41.7
Wheat	do.	18.3	16.4	16.0	18.3	16.4	16.0	21.0	18.3	16.4	16.0	21.0	21.0
Other small grains	do.	30.7	27.7	23.0	30.0	27.7	23.0	30.0	30.7	27.7	23.0	30.0	30.0
Alfalfa hay	Ton	2.1	1.9	1.8	2.1	1.9	1.8	1.8	2.1	1.9	1.8	2.1	1.9
Other hay	do.	1.3	1.1	1.2	1.3	1.1	1.2	1.2	1.3	1.1	1.2	1.2	1.2
All crops (index 1947-49=100)	Pct.	100	83	107	109	78	110	112	100	81	108	112	108
Livestock on farm January 1:													
All cattle	No.	5.2	4.6	5.3	5.1	6.8	11.0	11.3	14.0	10.0	15.5	16.0	11.2
Milk cows	do.	3.2	3.1	3.3	3.2	3.7	5.4	5.2	5.8	4.9	5.7	5.5	4.9
Hogs, all ages	do.	4.9	4.9	5.5	5.0	7.5	6.7	6.0	8.0	10.1	9.0	8.5	7.7
Sheep and lambs	do.	5.4	6.9	5.6	5.5	20.8	10.2	10.1	23.2	34.8	24.2	24.0	13.9
Poultry	do.	44	45	43	44	49	51	48	53	54	52	53	49
Workstock	do.	2.1	2.4	1.7	1.7	2.5	2.9	2.0	3.0	4.0	2.4	2.6	2.1
Farm with tractors	Pct.	15	4	23	25	4	32	35	41	18	60	65	28
Proportion of cash receipts from:													
Tobacco	Pct.	68	65	67	73	62	65	70	66	62	65	72	63
Other crops	do.	0	1	0	0	1	0	0	2	3	1	1	2
Livestock	do.	18	17	19	13	21	22	18	23	21	25	19	20
Livestock products	do.	13	12	13	13	11	12	11	8	9	8	7	10
Government payments	do.	1	5	1	1	5	1	1	1	5	1	1	5
Proportion of cash expenditures for:													
Labor ^{3/}	Pct.	6	7	4	3	27	25	24	36	32	34	33	27
Feed and other livestock expenses	do.	21	15	18	18	14	13	14	9	10	7	7	11
Crop expense	do.	19	14	20	20	15	11	16	17	14	9	15	15
Machinery and equipment	do.	30	30	35	36	24	23	28	28	21	22	25	23
Farm buildings	do.	11	16	10	10	8	11	7	8	11	8	8	9
General farm and miscellaneous	do.	13	18	13	13	12	17	12	12	16	12	12	17

^{1/} Preliminary. ^{2/} Less than 0.5 percent. ^{3/} Includes cropper labor for medium, large and area-type farms.

Table 3.- Investment, income, and related factors, averages for family-operated tobacco-livestock farms, Bluegrass Area, Kentucky, 1947-49 average, 1937-41 average and 1951-52

Item	Small 21-70 acres			Medium 71-120 acres			Large 121-260 acres			Area-type 21-260 acres		
	1947-49	1937-41	1951	1947-49	1937-41	1951	1947-49	1937-41	1951	1947-49	1937-41	1951
Total land in farm	50	50	50	95	95	95	173	173	173	113	110	113
Cropland harvested	16.3	16.0	15.9	26.2	24.2	25.9	44.3	42.7	43.1	44.4	30.5	28.4
Total labor used	2,713	2,949	2,651	3,958	4,057	3,896	5,486	5,875	5,338	5,382	4,194	4,117
Operator and family labor	2,600	2,771	2,559	2,845	2,908	2,849	2,932	3,091	2,929	3,058	2,813	2,933
Labor hired	113	178	72	543	637	476	1,029	1,383	948	948	616	768
Cropper labor	-	-	-	570	512	571	1,465	1,401	1,461	1,376	765	678
Total investment	9,190	4,729	11,009	15,993	8,070	19,513	21,362	14,663	35,240	36,541	19,047	9,434
Land and buildings	7,150	3,790	8,550	12,540	6,669	15,200	16,625	12,491	28,545	31,140	15,370	7,898
Machinery and equipment	483	261	675	890	370	1,215	1,430	655	2,035	2,415	966	439
Livestock	1,143	522	1,284	1,887	778	2,249	2,552	1,120	3,303	3,775	1,930	822
Crops on hand	414	196	500	706	293	849	755	1,093	1,357	1,211	781	275
Cash receipts	2,612	976	3,194	4,109	1,481	5,201	5,109	2,906	8,192	8,055	4,686	1,687
Cash expenditures	898	365	1,098	1,776	695	2,193	2,322	1,377	4,015	4,193	2,118	851
Net cash farm income	1,714	611	2,136	2,333	786	3,008	2,787	1,530	4,177	3,862	2,568	836
Perquisites for cropper and hired labor	-	-	-	85	30	85	77	78	210	192	127	44
Total value of perquisites	554	230	587	689	282	736	761	370	981	1,001	753	304
Change in inventory:												
Crops and livestock	10	36	-158	44	45	-203	138	82	-296	123	29	55
Machinery and buildings	54	18	83	88	29	156	157	73	287	224	111	41
Net farm income	2,332	895	2,648	2,670	1,112	3,612	3,766	1,556	4,939	5,018	3,334	1,192
Charge for real estate capital	334	171	419	458	301	745	815	1,099	1,399	1,526	718	356
Charge for working capital	112	54	143	158	81	290	284	125	388	444	202	89
Total charge for capital	446	225	562	616	382	995	1,099	689	1,787	1,970	920	445
Return to operator and family for labor and mgt.	1,886	670	2,086	2,054	730	2,617	2,667	867	3,152	3,048	2,414	747
Percentage allocated to investment	4.8	4.8	5.1	5.1	4.7	5.1	5.1	4.7	5.1	5.1	4.8	4.7
Return per hour to operator and family labor	.73	.24	.82	.80	.25	.92	.92	.28	1.08	1.00	.86	.25
Gross farm income	100	39	114	117	37	119	125	39	116	120	100	37
Net farm income	100	38	114	114	37	119	124	36	116	117	100	36
Net farm production	100	89	107	109	85	109	114	87	107	111	100	84
Production per hour of man labor	100	82	111	113	83	111	116	81	109	112	100	81
Operating expense per unit of production	100	47	108	115	47	110	110	47	110	112	100	47
Total cost per unit of production	100	47	107	110	47	109	109	48	111	114	100	48
Total input per unit of production	100	111	96	94	111	94	92	111	96	94	100	112
Power and machinery used (quantity)	100	83	113	126	67	116	131	72	117	134	100	70
Prices received for products sold	100	43	108	108	43	110	109	43	110	108	100	43
Prices paid for production items	100	50	114	116	46	115	117	45	115	119	100	45

Index numbers (1947-49=100)

